



TRANSCRIPT OF THE PROCEEDINGS OF THE 49th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON WEDNESDAY, AUGUST 14, 2024 AT 03:30 P.M. THROUGH VIDEO CONFERENCING

Mr. M.M. Venkatachalam, Chairman

Ladies and Gentlemen, Good Afternoon! It is 03.30 P.M. and time to start the Meeting.

Thank you very much. My apologies for the technical glitches. Now we are proceeding with the meeting.

I have great pleasure in welcoming you all to the 49th Annual General Meeting of the Company convened through Video Conference (VC) / Other Audio Visual Means (OAVM).

I hope that all of you are well. In compliance and in accordance with the directions of the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) we are holding this AGM through Video Conference.

Further, as per the relevant circulars issued by the MCA and SEBI, the company has dispensed with the requirement of sending physical copies of the annual report to shareholders. The Annual Reports have been sent by electronic means to all those shareholders whose email id's were registered with the Company/Depositories. Physical copies of the annual report were sent to shareholders who had requested for such copies.

The facility for joining this meeting through VC/OAVM is made available to the members of the Company on first come first serve basis.

All the members who have joined this meeting are by default placed on mute by the host to avoid any disruptions arising from background noise and to ensure smooth and seamless conduct of the meeting.

Based on the registrations received from members for E-meeting, requisite quorum for the meeting is present and I call the meeting to order.

As this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members is not available and hence inspection of the Register of Proxy is not applicable.

The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts in which Directors are interested and other documents required for inspection of the members under the Companies Act, 2013 are electronically available for inspection. Members who intend to inspect may write to investorservices@parry.murugappa.com.



As required under the relevant SEBI Regulations on ESOP Scheme, the Certificate obtained from the Secretarial Auditors of the Company confirming that the Company's ESOP Schemes have been implemented in accordance with the said SEBI Regulations and in accordance with the resolutions passed by the Shareholders, is also electronically available for inspection.

I am now pleased to introduce my colleagues who are with me

Starting from my Extreme Left

- Mr. Venkateshwarlu Y, Chief Financial Officer
- Mr. S. Suresh, Managing Director

- Mr. Biswa Mohan Rath, Company Secretary

To my Right

Mr. Muthiah Murugappan, Whole-Time Director & CEO

- Mr. Ajay B Baliga, Independent Director, Chairman
- Nomination & Remuneration Committee and
Mr. Ramesh K B Menon, Non-Executive Director

I also take privilege in introducing the distinguished Board Members who are joining this meeting through Video Conference–

1. Mr. S. Durgashankar, Independent Director, Chairman - Audit Committee joining from Chennai
2. Dr. Rca Godbole, Independent Director joining from Mumbai
3. Mr. T. Krishnakumar, Independent Director, joining from Bengaluru
4. Ms. Meghna Apparao, Independent Director joining from Chennai and
5. Mr. Sridharan Rangarajan, Non-Executive Director joining from Chennai

I wish to inform that apart from the Directors, Mr. Baskar Pannerselvam and Mr. Dillip Kumar Sharma , Partners, M/s Price Waterhouse Coopers Chartered Accountants LLP, Statutory Auditors and Mr. R. Sridharan, Partner, M/s R. Sridharan & Associates, Secretarial Auditors are attending the Meeting through Video Conference from Chennai.

Ladies and Gentlemen, the Notice dated May 24, 2024 convening this Annual General Meeting along with copy of the Annual Report for the financial year ended March 31, 2024 has already been circulated electronically to the members of the Company. With your permission, I shall take them as read. The Auditors' Report on the financial statements of the Company for the year ended March 31, 2024 does not contain any qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Company. Accordingly, the Auditors' Report is not required to be read out before the meeting, as provided under the Companies Act, 2013.



Now, I would like to give a brief overview of the Company's operations and the industry in which we operate.

Once again, I extend a warm welcome to all of you to the 49th Annual General Meeting of your Company.

It is a privilege to host you today and connect with you through this Video Conference. The Directors' Report and the Audited Accounts for the Financial Year ended March 31 2024, have been with you for some time. With your consent, I shall take them as read.

In an industry that is the cornerstone of our nation's agricultural economy, your Company has always been committed to excellence, sustainability, and innovation. Our journey began with a singular focus on sustainable sugar production, but over the years, we have evolved and diversified to meet the changing needs of our consumers and to stay ahead of industry trends. Today, we operate in multiple segments.

Before I take you through the company operations and developments, let me briefly touch upon our choices, current trends in the economy and the industry in which your Company is operating.

Better Choices, Brighter Future:

In an ever-changing world, the choices we make today have a profound impact on the future that we create for ourselves, our communities, and the generations to come. It is this understanding that drives our commitment to excellence, innovation, and sustainable growth.

Making Better Choices:

Our success lies in the ability to make better choices. These choices are not just about seizing opportunities but also about addressing challenges with wisdom and foresight. As a company, we have unswervingly demonstrated the capacity to adapt to market dynamics, leverage technologies, and embrace sustainable practices.

Our pursuit for technology has yielded innovative products that meet the evolving needs of our customers. By prioritizing quality and efficiency, we have not only augmented our competitive edge but also set new standards for the industry.

Our commitment to better choices extends beyond business decisions. We recognize our responsibility towards the environment and society. Our initiatives in renewable energy, waste reduction, watershed management, and community development are a testament to our dedication to creating a positive impact.



Building a Brighter Future:

A brighter future is not a distant dream but a tangible reality that we are actively building each day. Our vision is to create a world where innovation and sustainability go hand in hand, and where prosperity is shared by all.

As we look into the future, I am excited about the opportunities that lie ahead. Our strategic roadmap is designed to navigate the complexities of the global market while staying true to our core values. We will continue to explore new markets, expand our product portfolio, and leverage emerging technologies to stay ahead.

In doing so, we remain steadfast in our commitment to sustainability. By making responsible choices today, we are paving the way for a brighter and more sustainable future.

Economy

India's growth story in the last decade has been one of resilience. Despite the global economic environment being fraught with risks and uncertainties stemming from multifaceted challenges, including the pandemic and geopolitical tensions, India's growth trajectory has emerged as a ray of hope amid an otherwise increasingly gloomy global scenario. In its July 2024 World Economic Outlook update, the IMF raised India's growth forecast for 2024-25 to 7% up from 6.8% on the back of strong domestic demand and a rising working-age population, making India the fastest-growing G20 economy.

The recent Economic Survey 2023-2024 rightfully highlights the impressive performance of the Indian economy. Real GDP is estimated at an 8.2% in FY24. As per the economic survey, an estimated 135 million Indians emerged from poverty between 2015-16 and 2019-21.

Going forward, the survey projects real GDP growth in the range of 6.5-7% for FY'25 and lays out a strategy to sustain medium term growth at 7% or more by boosting private sector investment, strengthening the MSME sector, exploiting the untapped potential of agriculture markets, securing the financing to meet the carbon envelope, addressing the skill-employment mismatch, and finally investing in building state capacity.

In the year just gone by, India has become a US\$ 3.6 trillion economy at current exchange rates and at a per capita income of US\$ 2,500; India is in the lower middle-income group of countries. Reaching here has been an eventful and arduous journey.

In the past ten years, the GoI pursued big-ticket reforms focused on restoring the economy's health and relieving several supply-side constraints. With its vision of making India a developed nation by 2047, it is expected that GoI will be set to turn its focus to bottom-up reforms in its third term.

Sugar Industry

Global Sugar

According to S&P Platts, global demand supply surplus for 2023-24 increased to 5.58 MMT, the second highest since 2017-18. Significant increase in production in Brazil, EU and Turkey more than offset lower production in Thailand, Mexico and Russia. Raw sugar prices were quite volatile during the year, climbing up from 28 c/lb (highest in 12 years) in November 2023 and later fell to 20 c/lb in December 2023.

The S&P Platts projects a Demand-Supply deficit for 2024-25 at 0.28 MMT. This is mainly due to lower production estimates for Brazil and Mexico. Though cane production is estimated to fall by 6-8% year on year due to dry weather, Brazilian mills are expected to maximise their sugar production to around 41 MMT, as sugar realisations are higher compared to ethanol.

Indian Sugar

The Indian sugar industry is poised for growth, by capitalizing on the untapped potential across the value chain of sugarcane & its by-products, albeit with some challenges - the rising input costs are squeezing profit margins for sugar mills. The industry is exploring diversification into value-added products like sugar-based chemicals and biofuels to reduce reliance on sugar alone. There is growing pressure on the industry to adopt sustainable practices, including water conservation and reducing environmental impact. The focus on ethanol blending, coupled with increased domestic demand, presents opportunities for expansion.

The sugar production estimates have been notably volatile, where the 2023-24 season started off with an initial estimate of 30 MMT mainly on the premise of poor monsoons affecting yield and recovery estimates for Maharashtra and Karnataka. Now, with production of around 32 MMTs and consumption of around 29 MMT, we have an increase of nearly 3 MMT in the closing stock. Consequently, the estimated closing stock is expected to reach about 9 MMT, equivalent to approximately 4 months of consumption. It is high time the government crafts a comprehensive long-term sugar export policy.

The Central Government hiked the Fair and Remunerative Price (FRP) by Rs.25/quintal to Rs.340/quintal for the season 2024-25, for a basic recovery of 10.25%. It has also approved a premium of Rs.3.32/quintal for every 0.1% increase in recovery over and above 10.25% and reduction in FRP to be proportionately by Rs.3.32/quintal below 10.25%.

The sugarcane industry supports five crore sugarcane farmers and their families by procuring sugarcane at FRP without any intervention from the Government. Stable policy support in the form of harmonizing FRP of cane with the MSP of sugar and procurement price of ethanol from all three feedstocks is the need of the hour for the industry.

With a view to protect the interests of the sugar mills, the Government introduced a concept of Minimum Support Price (MSP) in 2018. The MSP was fixed at Rs. 29/kg during its inception and the same was increased to Rs.31/kg. While the FRP has seen a steady increase since then, the MSP continues to remain static at Rs. 31/kg. The Indian Sugar and Bio-Energy Manufacturers Association (ISMA) has urged the Central Government to increase the MSP of sugar to Rs.44.23/kg, based on the Revenue Sharing Formula of considering 75% of the revenue from sugar alone. The Niti Aayog, the Committee of Secretaries, the Group of Ministers and different State Governments have also been recommending an increase in the MSP from time to time. The Government should consider the proposal of ISMA favourably in the long-term interest of the industry.

Ethanol

Sugarcane-based ethanol is vital for our country due to its many benefits which encompass energy security, environmental sustainability, and economic development. As a renewable biofuel, ethanol made out of sugarcane juice/syrup/molasses helps to reduce the nation's dependency on imported crude oil, thereby enhancing energy security and mitigating the vulnerabilities associated with volatile global oil markets. The Ethanol Blending Program (EBP) aims to blend ethanol with petrol, reducing greenhouse gas emissions and improving air quality by lowering vehicular pollution. This aligns with India's commitment to international climate agreements and its goals for sustainable development. Moreover, the EBP stimulates rural economies by creating demand for sugarcane, providing farmers with stable income and employment opportunities. The program also supports the sugar industry, enabling better price stabilization and management of surplus production.

Frequent changes in the policy regarding the diversion of sugar for ethanol hinder the EBP targets and affect the functional & financial viability of distilleries. The Government must ensure that a stable policy environment for ethanol is created to achieve the EBP targets on time and reduce India's growing import dependency on fossil fuel. Any policy changes with respect to ethanol should not be done in a hasty manner and there should be a consultative mechanism with respect to Ethanol Policy where policy decisions, including pricing of ethanol, sugar diversion for ethanol, any technology related interventions, fiscal incentives & other aspects are made after seeking input & consultation from registered industry associations that represent the voices of the ethanol and allied industries across India.

Co-generation

The sugar industry is engaged in Co-generation of power from renewable sources. In a press release from the Press Information Bureau (PIB), the Union Minister for New & Renewable Energy and Power announced a significant target of achieving 500 GW of installed capacity from non-fossil fuels by 2030. This aligns with the government's commitment made during COP-26.

The Government should develop steady and standardised mechanisms to monetize surplus power

generated through Co-generation in sugar mills. Standardising these mechanisms will ensure predictability, facilitate financial planning, and incentivize continued investment in co-generation technology. Evaluation of the central intervention in the price fixation of bagasse at the state level and promotion of exit strategy from Power Purchase Agreements (PPAs) for sugar mills and creation of parity in support and incentives provided to other forms of green energy and bioelectricity will go a long way in strengthening the Co-generation of power by sugar mills.

Potash Fertiliser

Currently, our country imports all its potash fertilizer in the form of Muriate of Potash (MoP) and relies entirely on MoP, which has 60% Potash content. Potash Derived from Molasses (PDM) with a minimum of 14.5% Potash content, is a potassium-rich fertilizer derived from ash in molasses-based distilleries, a by-product of the sugar-based ethanol industry. The pricing of PDM should be tied to the international price of MoP using a benchmark index and should be based on a pro rata evaluation of the Potash content in the PDM compared to the import cost of MoP. This will create a level playing field for the PDM and generate additional revenue for the sugar industry.

Sugarcane and Farmers

Sugarcane forms the basis for the sugar industry to produce a variety of final products as I mentioned earlier. The country requires approximately 29 MMT of sugar cane annually, with consumption increasing by 1.5 to 2% each year. According to NITI Aayog, achieving the 20% ethanol blending target under the EBP necessitates 988 crore litres of ethanol for the year 2024-25, with 55% coming from sugarcane. In addition to sugar, the sugar industry also supplies alcohol for industrial and potable purposes. Estimated alcohol production is projected to reach 132 crore litres in 2024-25 and grow further. To achieve these goals, sugarcane productivity needs to increase from the current 76 MT/ hectare to 83 MT/ hectare within the next five years. The imminent need is to enhance sugarcane production keeping in mind the muted scope for expanding cane area to meet the demands of the sugar industry to cater to domestic consumption, create an exportable surplus and achieve the higher ethanol blending targets and other energy needs.

Urbanization and varied opportunities across the sectors have led to the next generation of farmers becoming disinterested in & indifferent towards farming. Further, restrictive land ceiling regulations and consequent fragmented land holdings, though well intended to achieve social justice, have in effect blocked R & D and technology upgradation in agriculture. It is clear and evident that agricultural revolution and modernization alongside of consolidation of landholdings is critical to sustain farm production and improve farm income. The need of the hour is to optimise farming practices embracing smart agriculture, where farmers can achieve significant gains in efficiency and sustainability. Further, to tackle the decreasing landholding size & to facilitate mechanization in harvesting, land aggregation is a viable solution which would allow for larger farm sizes, resulting in lower costs & improved farming practices, ultimately leading to higher earnings for growers. The Government should consider allowing community cultivation and leased cultivation of Sugarcane through land aggregation by making appropriate amendments.

The Government, in collaboration with state authorities, should develop & implement a strategy to mitigate the reduction in cane-producing areas as it is crucial for maintaining a stable supply of raw materials for mills & renewable energy sector. The Government of India should encourage increased involvement of Public & Private sector entities towards R&D of high yield, high sucrose content, disease resistant, drought resistant varieties of Sugarcane for outcome-oriented research culminating in on-farm trials.

The Economic Survey 2023-24 emphasized on the pressing need for comprehensive reforms in India's agricultural sector, which provides livelihoods to 42.3% of the population and has a share of 18.2% of the GDP and recommended policy initiatives to ensure that the markets function in the interest of the farmers. It also pitched for striking a balance between incentivising farmers to increase production and keeping food prices within acceptable limits and suggested addressing the issue of land fragmentation. The survey has called for enhanced private sector investment in production methods, marketing infrastructure, technology and reduction in post-harvest losses.

Climate Change

India's increasing number of small landholders, are among the world's most vulnerable to climate change, necessitating sustainable adaptation strategies. Enhancing soil health through simple practices like crop rotations, mulching & cover cropping can significantly boost farmland productivity by maintaining soil structure, improving water retention, fostering healthy microbial communities & increasing fertility. Moreover, farmers now have the opportunity to receive direct benefits from the private sector on these health improvements. Global corporations can procure certified carbon credits and farmers are compensated for increasing soil carbon, effectively removing CO₂ from the atmosphere. Sustainable farming and natural farming practices can lead to a yearly carbon credit, translating into an additional income for the farmers.

With growing concerns about climate change and water stress, another game changer is drip irrigation, a technology that ensures efficient and effective water use. This targeted approach alongside advancement in soil health management and the use of bio-fertilizers paves the way for responsible use of the land.

Your company is actively engaged in promoting drip irrigation, producing and supplying micronutrient mixtures and embracing precision agriculture, bio-pest control agents, minimized chemical interventions, and fostering regenerative agricultural practices. Our adoption of drip irrigation, rainwater harvesting, and judicious water reuse isn't merely operational efficiency; it is reverence for the watersheds that sustain us.



With the above thoughts in the background, I shall now proceed to briefly cover the highlights of FY 2023-24 and the steps being taken by your Company to stay stronger.

Performance and Financials

The past year has witnessed unexpected & not very congenial transformations in our sector, and it's imperative for us to not only learn lessons from the same but also take adequate corrective measures. Regrettably, we witnessed a decline in our operational and financial performance.

Your Company, during FY 2023-24, recorded a crushing of around 50.09 LMT as compared to the corresponding period of the previous year at 51.81 LMT and the average annual recovery was at 9.06% as against 9.53% of last year, registering decline of 0.47%. Sugar production clocked around 4.55 LMT as against 4.93 LMT of previous year. The Standalone revenue from operations for the year ended March 31, 2024, was Rs. 2,809 Crore against previous year of Rs. 2,895 Crore and Earnings before depreciation, interest, taxes, and before exceptional items (EBITDA) for the year ended was Rs. 307 Crore as against previous year of Rs. 527 Crore. The Standalone Profit after tax was Rs.107 Crore, compared to Rs. 197 Crore in the previous year.

Several factors contributed to this downturn. Firstly, the decrease in revenue can be attributed to lesser releases under the monthly release mechanism governed by the Central Government. Furthermore, the ban on sugar exports had a significant impact on our revenue streams. In the previous financial year, we successfully exported 1.52 LMT of sugar, a feat that we were unable to replicate this year. Additionally, while revenue from distillery operations experienced an increase from Rs. 644 Crore in FY 23 to Rs. 799 Crore in FY 24, it did not fully offset the overall revenue decline. Despite capacity expansions, regulatory constraints, such as the government's embargo on using syrup for ethanol production and limiting the use of B-heavy molasses, hampered potential revenue growth in this segment. There was an increase in the cost of production, primarily due to increase in the sugarcane prices on an average Rs.171/MT of cane compared to the last year. Additionally, unfavourable weather conditions, resulting in lower sugarcane recovery (Reduction was about 0.47%) and suboptimal utilization (87%) of our sugar plants due to insufficient availability of sugarcane and plant downtime contributed to the lower EBITDA, resulting in underutilized capacity and increased per-unit production costs.

In conclusion, while we faced challenges and experienced declines in various financial metrics, we remain committed to addressing these issues strategically and with resilience. Our focus remains on sustainable growth. Our core sugar business continues to be robust. We have optimized our production processes, ensuring maximum efficiency and quality. The adoption of advanced technologies and sustainable farming practices has reinforced our commitment to environmental stewardship. We have engaged closely with the farming community, providing them with necessary support and resources to enhance productivity and ensure a stable supply chain.

The distillery segment has seen remarkable growth, driven by the increasing demand for ethanol and



other industrial alcohols. We have made significant investments in expanding our distillery capacities from 417KLPD as on March 31, 2024, to 582 KLPD, to be made fully operational in the current year. The strategic focus on this segment aligns with the government's push for ethanol blending in fuels, positioning us as a key player in this critical area.

New Ventures: Staples

In the rapidly evolving consumer goods landscape, new technologies are creating opportunities for both brands and consumers. Your Company's premium brand 'Parrys' instils confidence and trust among consumers. Capitalizing on this favourable situation, your Company aims to maximize growth by strategically focusing on key areas and expanding product availability and brand presence across diverse consumer demographics.

This year marks a significant expansion of our product portfolio. I am pleased to inform you that your Company launched a range of staples in Q4 of FY 2023-24, expanding its footprint in kitchens across South India. This is keeping in mind with the vision of the brand to go beyond its legacy of sweeteners and be part of the daily cooking repertoire and even more deeply entrenched into the lives of our consumers. This strategic move is aimed at leveraging our extensive distribution network and brand equity to provide high-quality, nutritious staples to our consumers. The market response has been overwhelmingly positive, and we are confident that this segment will become a major growth driver in the coming years, swaying towards becoming a food-nutrition-bio-fuel company. The Indian sweetener market will remain central to your company's business growth. Your company has diligently fortified its position by emphasizing flagship brands and introducing a range of new products tailored for various consumer segments. In addition to our existing low GI sugar SweetCare, your company recently launched a low GI brown sugar "Amrit Gold", developed through a collaboration with Nutrition Innovation Singapore (NIS), catering to the increasing demand for healthier sugar solutions. Plans are on the anvil to launch a slew of products both in the sweetener and non-sweetener segments.

As we look ahead, tens of millions of Indian consumers across this vast nation will seek brands that offer exceptional quality and value. This trend is likely to drive accelerated growth in various consumer-packaged goods categories. ***Our company has already embarked on reimagining its business model, making better choices for a brighter future - leveraging its brand, entering retail, and diversifying beyond sugar. The goal is to create more value, connect directly with customers, and ensure sustainable operations.***



Nutraceuticals

The Nutraceuticals Division achieved a standalone revenue of Rs. 31 Crore in 2023-24 and the Company's wholly owned subsidiary, US Nutraceuticals Inc. registered a revenue of 25 million USD. The business had a consolidated sale of Rs. 234.47 crores for the year 2023-24.

The growth of technology and social media platforms has changed the way consumers learn about Nutraceuticals. The dissemination of health and wellness information, preventive health care and importance of nutrients derived from natural and sustainable sources influence the purchasing habits of consumers. Nutraceutical supplements are fast becoming a part of a daily routine and healthy lifestyle across a wide range of popular categories in the world over, resulting in an increased demand.

Considering the huge resources and long gestation period involved in building the Direct to Customers (D-C) Prostate Health Business in the US , the US Nutraceuticals realigned its strategic position last year by discontinuing its efforts in this segment .

Having realigned the Business model with B-B as the core focus area for the future, options were being explored for leveraging the investments through strategic partnership.

Subsidiary Company, Parry Sugars Refinery India Pvt Ltd (PSRIPL)

Raw sugar prices were quite volatile during the year. Increasing global refined sugar demand coupled with limited exports from India and Thailand, ensured that white premium remained at elevated levels during 2023-24. This enabled most toll sugar refiners to increase their operating rates in FY25.

PSRIPL continues to be globally renowned as an efficient re-exporter of refined sugar, offering a range of quality products for international trade and institutions. PSRIPL recorded its highest ever sales of 8.3 L MT, which is 16% higher than sales of 7.18 L MT in FY23. With increased customer base and better availability of containers, 23% of the total sale volumes was shipped through containers, which was also an all-time high. Higher sugar prices along with the sales volume growth increased FY24 turnover to Rs 4415 Crores as against Rs. 2870.20 Crores of FY 23. Improved operating efficiencies and softening of energy and material costs helped PSRIPL to lower its refining cost in FY24. During the year, PSRIPL incurred a loss of Rs. 84.51 Crores due to higher finance cost and impairment charge on its investments in overseas subsidiary. Stable white premium and consolidating on operational gains made during FY 24 will help PSRIPL to improve its financial performance in FY25.

Embracing Sustainability in Our Journey

Sustainability isn't confined to fields and factories; Through skill development programs, timely payments and credit initiatives, we empower our farming communities to prosper and develop; for a thriving sugar company is one that uplifts those who work alongside us.

We have invested significantly in enhancing our production capacities and improving efficiencies. Our focus on sustainability is reflected in our efforts to reduce water and energy consumption in our manufacturing processes. Additionally, our initiatives in Co-generation of power from bagasse, a byproduct of sugarcane, not only contribute to our bottom line but also align with our commitment to environmental stewardship. Your Company has developed nutrient rich, eco-friendly, soil-less media from sugarcane bagasse. Soilless culture avoids soil disturbance and reduces land pressure and degradation while promoting crop intensification through year-round production.

At this juncture, it is worthwhile to mention that through our landmark Project NANNEER supported by the AMM Foundation, which is the century old CSR arm of the Murugappa Group, we have initiated the rejuvenation of seven water bodies in the districts in Tamil Nadu in 2023-24. The Phase II of Project NANNEER expanded to Tiruppur, Erode, and Cuddalore districts to rejuvenate and conserve water sources within the command areas your Company. We are also looking forward to expanding the project to Karnataka and Andhra Pradesh. These vital water bodies are crucial for farmers, as agriculture in these arid regions relies extensively on monsoonal rains.

Outlook

Our core business, sugar industry is facing both challenges and opportunities in this evolving economic landscape. Despite the adverse weather conditions affecting agricultural outputs, the sugarcane production in India has shown resilience. The Government's proactive measures, including fair and remunerative prices for sugarcane farmers, EBP and subsidies for export, whenever required have provided a much-needed boost to the industry.

Your company continues to leverage its integrated business model to mitigate risks and capitalize on opportunities. Our commitment to sustainable agricultural practices, technological advancements in sugar production, and diversification into bioenergy and nutraceuticals are driving our growth. The ethanol blending program by the Government of India has provided us with an additional revenue stream, reducing our dependency on sugar prices alone.

The Sugar Industry has a potential to be transformed into a renewable energy hub, which is sustainable and competitive and one which will contribute significantly to the socio-economic growth of the nation.



Acknowledgements

I am very grateful to all our employees, shareholders, farmers, customers, suppliers, banks, the Government, oil marketing companies and other stakeholders for their continued support, partnership, and invaluable contribution in facilitating the Company's operations. Your trust and support have been instrumental in our journey. Together, we will continue to drive growth, create value, and make a positive impact.

We, as a Board, have full confidence in the excellent leadership team of your Company to lead the way for next phase growth of the business in a competent, compliant, socially responsible, and transparent manner. I look forward to witnessing the continued growth journey of EID Parry with all your support. EID Parry is well positioned to take on future challenges with passion.

Thank you very much.

Before taking up the business contained in the Notice of the meeting, I would like to brief you regarding voting on the resolutions proposed in the notice of this Meeting:

- a) Pursuant to the provisions of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided remote e-voting facility to the members to exercise their votes in proportion to the shares held by them as on the cut-off date, August 07, 2024 on the resolutions proposed in the Notice of this AGM from August 10, 2024 9.00 a.m. till August 13, 2024 5.00 p.m. Indian Standard Time.
- b) The e-voting window shall now be activated for allowing the members who did not or could not avail the remote e-voting facility, to vote during the AGM and will be active for 15 minutes after the closure of this meeting. Members who did not or could not avail the remote e-voting facility, are requested to vote by clicking on the thumbs up icon available on the bottom of the screen.
- c) Mr. R. Sridharan, Company Secretary in Practice, Chennai, is appointed as the scrutiniser for the purpose of scrutinizing the remote e-voting process and e-voting at this Meeting.

d) The Ordinary businesses set out in the AGM notice under item Nos.1 to 4 pertains to:

1.	Adoption of the Audited Standalone Financial Statements for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon – as an Ordinary Resolution
2.	Adoption of the Audited Consolidated Financial Statements for the financial year ended March 31, 2024 and the report of Auditors thereon - as an Ordinary Resolution
3.	Confirmation of Dividend – as an Ordinary Resolution
4.	Reappointment of Mr. Sridharan Rangarajan (DIN: 01814413) as a Director retiring by rotation – as an Ordinary Resolution

The special businesses set out in the AGM notice under item Nos. 5 & 6 pertains to:

5.	Payment of Commission to Non-Wholetime Directors of the Company - as a Special Resolution
6.	Remuneration of Cost Auditors – as an Ordinary Resolution

The notice containing the resolutions to be passed along with explanatory statement pertaining to the resolutions, wherever applicable, are already available with you.

Now I would like to give any clarifications that the members may require regarding the Financial Statements and the operations of the Company during the year 2023-24.

Before we go live on question and answer session, I would request members to note few points for their convenience.

The Company has received request(s) from members to register themselves as speakers at this AGM. Accordingly, the floor will be open to only those members to ask questions or express their views.

The moderator will facilitate the session, once the floor is open for Question and Answers. The name of the member who has registered himself / herself as a speaker will be announced one by one. The speaker will thereafter be unmuted by the host. Members are requested to turn on their Video / audio button and speak. While speaking, we request the members to use earphones, so that it will be clearly audible, minimize any background noise.



Members are requested to ensure that the Wi-Fi connectivity is good. In case of any connectivity problem at the speaker's end, we would ask the next speaker to join. Once the connectivity is improved, the speaker will be asked to re-connect. In case any registered member is unable to join through video mode for any reason, the shareholder can speak through audio mode.

Each registered speaker will have 3 minutes to pose their questions or offer their comments. Once all the speakers have spoken, we will answer the questions at the end of Question and Answer Session. I request the members to be brief and confine their queries to the operations and accounts for the year 2023-24. I request the members not to repeat the queries which have already been raised.

Now I request Mr. Sameer, Moderator, to begin the process and activate the Speakers Session.

Moderator:

Thank you so much, sir. Going ahead with the first person on the list of registered speaker shareholders, we were supposed to have with us Mrs. Pratiksha Satishchandra Doshi but for some reasons she couldn't join the meeting today, we do not find her in the attendees as of now.

Hence going with the next person, we have Mr. Hitesh Satishchandra Doshi. Hitesh Ji we are ready to take your question, you can also have your video turned on if you like, you have already been unmuted.

Mr. Hitesh, if you could hear us can we have your question please. Mr. Hitesh, could you please respond?

Sir, Mr. Hitesh as of now is not responding, with your permission can we go to the next speaker?

M M Venkatachalam:

Yes please.

Moderator:

Going ahead, the next person on the list is Mr. Karan Mehta. Mr. Hitesh would be taken in the end of the list if he's still present. Mr. Karan Mehta we are ready for your question, we can also have your video if you like.

Mr. Karan, you have already been unmuted I can see that, would be great if we can have your question.



Mr. Karan Mehta:

Ya, Thank you sir for the opportunity. I have gone through the annual report and found it very insightful, I just have few questions which are as follows –

- Last year you had guided us on unlocking of value from molasses and bagasse and premiumization of ethanol as pharma grade ethanol and selling it to pharma manufacturers and also on increasing the distribution of low GI sugar, so where are we on achieving these targets?
- Can you provide us with the category wise split of revenue and volume for FMCG products?
- What is the current trend of white premiums?
- Do we have any alliance with foreign trading houses? if yes, could you please throw light on it?
- What is the current advertisement expense as a percentage of sale in branded sugar and FMCG business and how much can it grow in the next 2-3 years?
- What is the percentage of value added products in the branded sugar and sweeteners business and how much has it grown YoY?
- How much is the YoY volume growth for branded sugar portfolio for the last 2 years. Can you please throw some light on sourcing of FMCG products? and
- Board has approved the sales of shares of Indian Potash Ltd., so what could be the approximate value which we can get from this sale?

So these are my questions, I have already posted them before the AGM and request you to share and update on the same. Thank you.

M M Venkatachalam:

Thank you.

Moderator:

Thank you so much. Mr. Karan Mehta, your questions have been noted and they would soon be answered at the end together. Proceeding ahead, our next person on the list is Mr. Kamal Kishore Jhawar.



Mr. Kamal we are ready for your question. Pleasure to have you with us and you can also have your video if you have the appropriate bandwidth for it.

Mr. Kamal you have been unmuted, we are ready for your question.

Sir, Mr. Kamal is not responding.

Mr.Kamal, I see that you have been unmuted, anything you speak, should be audible to us. Sir, with your permission can we go to the next speaker? He's not responding.

M M Venkatachalam:

Sure. Please.

Moderator:

Going ahead with the next one, we have with us Mr. Satishchandra Doshi.

Mr.Satish Doshi is ready with his question I suppose, Satish sir, can we proceed with your questions please.

Mr. Satishchandra Doshi:

Hello, hello.

Moderator:

Yes sir, you are audible.

Mr. Satishchandra Doshi:

Thank you so much. There was a wonderful presentation by Chairman and I wish all the very best to the entire management team.

Just a quick question on the outlook for the consumer business –

- As you have mentioned that it would be a growth driver for our company and we want to transit our company, mainly from sugar to now bio-energy and consumer business so if you could or highlight the outlook for this business?
- How have we performed and what are our plans, what will be the growth driver? Which product will we be entering into the business and specifically if as a consumer we want to buy the product, where can we find and locate the product? In which all states and districts so far have we



launched and when can we and what would be the broad strategy for coming to the northern states? You mentioned that you have expanded the footprint in the South Indian kitchen so how we are looking at you know, expanding towards Maharashtra, Madhya Pradesh and upwards in the Indian region?

Thank you so much and wish you all the best for the future endeavours and all the best.

M M Venkatachalam:

Thank you, thank you very much sir.

Moderator:

Thank you so much. So, these were the questions from Mr. Satish Doshi, Thank you so much sir. Going ahead with the next registered speaker shareholder, we have with us Mr. Yusuf Rangwala.

Mr. Yusuf? You have already been unmuted; can we also have your video turned on for the question if possible?

Mr. Yusuf Rangwala:

Vanakkam sir, speaking from city of Mumbai. My name is Yusuf Rangwala.

You have explained everything in your Chairman Speech which was for one hour.

Sir I am using sugar which is world famous and excellent.

- I would like to know the new products you are manufacturing this year in the sugar segment.
- Dividend should be given. I have not received annual report copy. Can you send me annual report copy after this meeting?
- I have been back to Mumbai. In September 2023 I was in Madras for 4 days. I came to meet your shares department sir. They are excellent. Company secretary met me and also welcomed me.
- We have around 5 factories. My humble request is to arrange for a factory visit.
- I would like to know the total number of staff
- When was the last bonus given? Many years have passed and there is no declaration of bonus.



- At present, our shares are bought at a very good rate. As you mentioned in the annual report, you are manufacturing all the products which are famous in south. I have been in South India, so I would like to know what orders we are getting from the Southern India and which of these products are exported and what orders are we having at present.

There are so many shareholders in the queue to address. I wish our company a Happy Independence Day, sir.

If possible can you send us sweets, so that I can celebrate 15th August, it is my humble request. I will end my speech.

I was born in Madras. It is my birthplace. I am very proud to be shareholder of this company and Murugappa Group.

Wishing you good luck and the Chairman speech was excellent, very knowledgeable.

I thank our board and the Management team for giving us excellent services.

M M VENKATACHALAM:

Thank you. Thank you very much Mr. Rangwala. We can move on.

Moderator:

Thank you so much sir, thank you. This was Mr. Yusuf Rangwala. Proceeding ahead we have with us Mr. Suresh Chand Jain. Suresh Ji we are ready for your question and we also request all the shareholders to please turn on the video if possible.

Mr Suresh Chand Jain:

Hello?

Moderator:

Suresh Ji, we are ready we can hear you, yes sir.

Mr Suresh Chand Jain:

Am I audible?



M M VENKATACHALAM:

Yes, please go ahead.

Mr Suresh Chand Jain:

Respected Chairman, All Directors and dear Shareholders

Sir in your 50 minutes Chairman speech you have elaborated in detail about the performance of the Company and its operations. I am holding shares in all the Murugappa Group Companies. I am attending all the Companies' AGM.

All the Companies in the group are performing well and it plays a role in our nation's economy.

I like you for delivering a beautiful speech, sir.

I have met officials in Coromandel International Limited. If we had a physical meeting at Hyderabad, I would have had the opportunity to meet you.

Thanks for giving the opportunity to speak. Thank you very much.

M M VENKATACHALAM:

Thank you very much Mr. Suresh ji.

Mr Suresh Chand Jain:

I have not received the Annual Report. Kindly send the same.

M M VENKATACHALAM:

Okay.

Moderator:

Thank you so much, Suresh Ji for your Good wishes for the company thank you so much Sureshchand Jain Ji. Proceeding ahead, we have with us Mr. Reddeppa Gundluru.

Reddeppa Ji you have been unmuted and we would also like to request you to turn on your camera if possible. Yes sir, we are ready. We can hear you.

Mr Reddeppa Gundluru:

Sir yesterday requested for sugar products. We have not received. First of all, the company, Chairman, Board of directors, Company Secretary and my fellow shareholders in this video conference, good afternoon, good evening and namaste.

Sir my name is Reddeppa Gundluru from Hyderabad. I am shareholder of E.I.D.-Parry. Corporate governance is wonderful. The wealth creation is wonderful. Quality management, quality people, quality numbers, year and year, quarter and quarter we are growing. So, nothing more to ask, why because, there is wealth generation, we are getting dividends, and the Company has tremendous financial performance under aegis of the Murugappa group.

Here my question is –

- What are the steps you are taking, plans to increase the current level to next level?
- What is your vision?

Except this I don't have any questions to ask you.

For so many years I am attending meetings, nobody is responding and sending me sweets and Diwali sweets. We are not asking any monetary benefits, only our products. Please treat us as human beings, we are supportive.

Every year we are attending, devoting, spending time but you are not calling us? If you come to call, all they ask is that, are you attending meeting or not. What is this sir? You should maintain the company relationship with the interest of investors. The company is good, and the bonding is good but where is the investor relationship sir that is my only my personal view. Take it this positively and this is an advice only.

Thank you, sir.

M M Venkatachalam:

Thank you, thank you sir.

Moderator –

So this was Mr. Reddeppa Gundluru. Going ahead with the list of our speaker shareholders. The next person we were supposed to have with us Elija Devi K. Unfortunately, she is not part of the meeting today she could not join.

After that we were all supposed to have with us Mr. Ajit Sanjay Darda. He is not with us.



The next person on the list is Mr. Abhishek J.

Mr. Abhishek J we are very excited to have you with us and can we also have your video turned on if you like.

Mr Abhishek J:

Sir my name is Abhishek, shareholder of the company. My DPID is IN301637 and Client ID is 41359155.

(Inaudible)

M M Venkatachalam:

Moderator -

Moderator:

We are so sorry to interrupt but there is a lot of noise in the background.

Mr. Abhishek J:

No, I have muted all of the devices sir now there will not be any disturbance.

Moderator:

Thank you so much Mr. Abhishek. Thank you, please proceed.

Mr Abhishek J:

Now it should be fine sir.

First of all, trust all is well with you and your family in this challenging situation. A company deserves much more respect than the current market cap.

After completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands in the respective segment, Sir, we are in our 49th AGM now and we are marching towards the 50th year which is our golden jubilee year. So the shareholders have a lot of expectations from the management.

Hope that the management will fulfil the wish and desire of the minority shareholders in the years to come and reward the minority shareholders in large numbers. Sir, we are really thankful to the management and the board of directors for their sincere efforts in bringing the company to this

particular extent and rewarding the minority shareholders in larger numbers.

- As of date how many employees are there in the company?
- I would request the management to kindly arrange for a plant visit for the investor fraternity.
- What will be the growth triggers in the first half and the second half?
- Kindly try to consider hybrid AGMs in years to come because most of the senior citizens are not able to join because of the digital challenges in this virtual platform. If you can kindly conduct AGM in hybrid mode, more number of shareholders can join in the meeting and get the valuable points, suggestions, ideas that would be helpful for the management.
- Sir, Chairman informed that the shareholder can inspect the documents by sending email. Instead of sending the request via email to the shareholders who have requested, you can update the document on the CDSL/ NSDL platform and during the time of meeting the shareholders can very well inspect these documents online instead of reaching out to you at the later stage seeking from you all these documents.

So, it is better if the management can take some efforts to kindly update these documents online itself and otherwise the company's Corporate Governance is really good. We are really glad that we are proud to be the shareholders of the company and I wish the company and the board of directors a great success and prosperity in the coming future and thank you for giving me the opportunity sir.

Hope to see you in the hybrid AGM next year. Thank you very much sir.

M M Venkatachalam: Thank you Abhishek.

Moderator:

Thank you so much.

So this was Mr. Abhishek J. Proceeding ahead, we were supposed to have with us Mr.S.Padmanaban and N Prakash Chand Galada, P Jaichand, Mr Mani Sundaram A V, Mr.Gopal P and Ms. Vandana Ji.

Unfortunately, all of these speaker shareholders could not join us in this meeting today. Hence, we would like to take those people who we already unmuted for the questions, but they were inaudible.

So the first person that we would like to take again is Mr. Hitesh Satishchandra Doshi. Mr. Hitesh we would like to connect with you again and we would like to take your questions. Mr. Hitesh, can we have your questions please?

Mr Hitesh:

Yeah, thanks for the opportunity and I was not able to connect earlier. I wanted to congratulate the management team for a detailed and excellent annual report.

- I think Mr. Muthu and his team are doing great work in FMCG business and would be great if some more light is thrown on FMCG business.
- Also, they mentioned in the balance sheet / annual report about selling 50% stake in Indian Potash so what can be the amount we can receive from that transaction and if you could disclose the name of the buyer.
- There was a mention of finding a strategic investor or buyer in sugar and also some strategic deal in nutraceutical business. So can you throw some more light and thank so much. Best wishes to all of you, thank you so much.

M M Venkatachalam:

Thank you so much sir. Sameer, any other?

Moderator:

Yes sir. We had Mr Kamal Kishore Jhawar whom we tried to get in touch before but he was not audible. Mr. Kamal Kishore Jawahar - we would like to take him again.

Kamal sir, can we have your questions please?

Kamal sir, we can barely hear you.

Kamal sir can we proceed with your questions. We cannot hear you, but we can definitely hear something in the background.

Sir, I think we won't be able to get questions from him.

Hence this brings us to the end of all the questions from all the registered speaker shareholders and over to the dais to answer the same. Thank you so much sir.

M M Venkatachalam:

Thank you, Sameer and my thanks to all the shareholders who raised questions and also have appreciated our efforts in fairly difficult circumstances. It is the confidence that you place in us and your support that keeps us going in a large way.



What I would do now is perhaps request Mr. Muthu to address some of the questions and I think Mr. Rath will address some of the questions on the secretarial side.

Mr. Muthiah Murugappan:

Good afternoon, so I will answer some of the questions that were posed by the speakers, there were questions around total number of staff at E.I.D Parry that's about 2319.

There was a question around unlocking of value from molasses and around low GI sugar. From an unlocking of value from molasses perspective, we obviously channel the molasses to make ethanol as well as the ENA.

Regarding pharma ethanol, we do have some pharma ethanol accounts as well, which comes at a premium and we have a long term relationship with those customers.

From a Low GI sugar perspective, it is a value added product. Sales have grown by 80% in FY24 compared to FY23 and the trajectory and the outlook for this product looks good.

With regards to the bagasse, I think the chairman talked about this in his speech as well, we are working on some value additions for soil as growing medium using the bagasse and we are going through export certifications at this point in time. In terms of the various products on the FMCG sweeteners side and the proportion of volume through each of the distribution channels we did in FY24 about 130,000 tons of sweetener, modern trade contributed to 18%, Regular general trade to 64%, e-commerce 8%, private label 5% and the balance in trade. So this is the split of the business.

There was a question around the value added part of the portfolio. The value added part of the portfolio was around 10% of total sales on the branded side last year. We have a good outlook for this in the upcoming financial year and this will grow well, north of 10%.

There was a question around the advertising expenses, and these were at about 4% of sales and this will also perhaps grow quite aggressively in the coming years as the FMCG segment spans.

So, there was a question around sourcing of FMCG products on the sweeteners, we largely rely on captive EID Parry plants. We also fill in volumes from other sugar mills where quality is tried and tested. On the jaggery front, we do have entrepreneurs who have put in units for us from where we source jaggery.

On the staple products, we are working with partners on the rice, dal and the millets side and this business in its formative years as we more deeply understand the supply chain, we will see how we will build more value out of it.

There were questions around the geographical spread of the business. We are currently largely in

the southern states and will remain focused on the southern states in the near future and then look at markets beyond the southern markets, once we are well established in the business. In terms of new products, you will see newer products on the sweetener front and more products on the value added sweeteners as well as value added staples, but the focus for this year remains, building distribution and laying the foundation for a sound FMCG business.

I will leave it to Mr. Rath to handle some of the secretarial questions.

Mr. Rath:

Yes, Mr. Abhishek, there was a question on whether the Register of Directors and KMP and their shareholding and Register of Contracts in which directors are interested can be uploaded on the NSDL website. As per law, as it stands today, this can only be inspected at the registered office of the company so it is not possible for us to upload these documents.

You can come to registered office of the company and inspect these documents at any time.

Mr. Muthiah Murugappan:

So there was a question I think Hitesh Bhai you had asked us about the Indian Potash.

So we have taken a board approval for sale of certain number of shares. The value of the shareholding that we have approval for is ₹191 crores.

We have started making the sale of these shares. This is an unlisted entity. So the shares of course not listed.

We, in FY 25, have sold small quantity of these shares as and when we have opportunities, we aspire to sell more of these shares.

M M Venkatachalam:

There was a question on conducting hybrid annual meetings as well and I guess if there is a direction from the Government, we will be quite open to holding these hybrid AGMs and will also give us an opportunity to meet some of you directly which hasn't happened in several years now. It would depend on the regulations.

Mr. Rath:

Regarding the question, on sending a physical copy of annual report, we have noted down this request, and we will be sending the physical copy to all the speaker shareholders who have registered their name.



M M Venkatachalam:

Thank you, thank you all for participating in this Annual General Meeting, but once again request the members who have not yet voted to exercise their votes.

The e-voting will be ending 15 minutes from the conclusion of this meeting and Mr. R Sridharan, Scrutinizer will consolidate the results of the remote e voting and the electronic voting at this meeting and then submit the report.

The results along with the scrutinizer's report will be placed on the company's website and the website of NSDL and will also be communicated to the stock exchange within 2 working days.

Once again, I thank all the members for taking their time to join this meeting and I also thank our team and the NSDL for conducting this AGM in a seamless way.

I thank my colleagues on the board and with your consent I think the members of the board and the senior management would like to leave the meeting at this time. That concludes the business of the meeting.

I thank you all for your participation and I declare this meeting closed. Wish all of you well and safe in good health. Thank you.